

**Introduced by Senator Torlakson**

February 18, 2005

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An act to amend Sections 25025 and 27024 of, and to add Section 25024.5 to, the Education Code, relating to state teachers' retirement.

LEGISLATIVE COUNSEL'S DIGEST

SB 525, as introduced, Torlakson. State teachers' retirement: benefits.

(1) The State Teachers' Retirement Law establishes the Defined Benefit Supplement Program to provide additional benefits to members of the State Teachers' Retirement System. A member is entitled to a termination benefit under the Defined Benefit Supplement Program upon ending all employment to perform creditable service for a reason other than retirement, disability, or death. The termination benefit is payable after one calendar year has elapsed from the time the member terminated employment, except if the member performs creditable service within one year of the prior termination, then the benefit is not payable.

This bill would reduce the time period within which the termination benefit is payable, and the time period within which it may not be paid if creditable service is performed, from one year to 6 months. The bill would also specify that a member who is reemployed and again performs creditable service may not apply for a subsequent termination benefit, as described above, if less than 5 years have passed since the last termination benefit was distributed.

(2) Existing law creates the State Teachers' Retirement Cash Balance Benefit Program to provide a retirement program for people providing less than 50% creditable service. The program provides for a termination benefit, which is payable after one year has elapsed from the time the participant terminated employment, except if the

participant performs creditable service within one year of the prior termination, then the benefit is not payable.

This bill would reduce the time period within which the termination benefit is payable, and the time period within which it may not be paid if creditable service is performed, from one year to 6 months.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 25024.5 is added to the Education Code,  
2 to read:

3 25024.5. A member who is reemployed and again performs  
4 creditable service subject to coverage under the plan may not  
5 apply for a termination benefit under this part if less than five  
6 years have elapsed following the date the most recent termination  
7 benefit was distributed to the member.

8 SEC. 2. Section 25025 of the Education Code is amended to  
9 read:

10 25025. A termination benefit under the Defined Benefit  
11 Supplement Program shall be payable after ~~one calendar year~~ has  
12 *six calendar months* have elapsed following the date the member  
13 terminated employment as specified in Section 25024. If the  
14 member performs creditable service within ~~one year~~ *six calendar*  
15 *months* of the prior termination of employment, the termination  
16 benefit shall not be payable *until six calendar months have*  
17 *elapsed following the date the member performed his or her most*  
18 *recent creditable service.*

19 SEC. 3. Section 27204 of the Education Code is amended to  
20 read:

21 27204. The termination benefit under this part shall not be  
22 payable before ~~one year~~ *has six months* have elapsed following  
23 the date of termination of employment. The application for the  
24 termination benefit shall be automatically canceled if the  
25 participant performs creditable service within ~~the year~~ *six months*  
26 following the date of termination of employment.

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